

CENTRAL KITSAP SCHOOL DISTRICT No. 401
Kitsap County, Washington
September 1, 1991 Through August 31, 1992

Schedule Of Findings

1. The District Should Monitor Federal Grant Expenditures

Expenditures for two federal Education of the Handicapped Act (EHA) grants (CFDA 84.027) included food and lodging charges that were unallowable. These charges consisted of the following:

<u>Vendor Identification</u>	<u>Amount</u>	<u>Purpose</u>
Crystal Mountain Resort	\$1,388.56	Lodging for grant meeting
Sinclair's Restaurant	452.11	Catering for grant meeting
District Food Services Department	162.00	Catering for grant meeting
Judith's Tea Room	487.20	Catering for grant meeting
La Conner Seafood	467.50	Catering for grant meeting
Spiro's Pizza	<u>200.00</u>	Catering for grant meeting
Total Unallowable Costs	<u>\$3,157.37</u>	

Federal compliance requirements for this grant (34 CFR, Part 300.13 and 300.14) state, in part:

Federal funds may only be used to provide . . . special education and related services to handicapped children. Special education includes instruction . . . to meet the unique needs of a handicapped child, including classroom instruction, home instruction, speech pathology, and vocational education. Related Services means transportation and such developmental, corrective, and other supportive services as are required to assist a handicapped child . . .

These two grants were administered by staff members at specific schools rather than by the district's grant administrators in the Special Services Department. Consequently, there was no separate review of these grant expenditures to determine their allowability.

These internal control weaknesses resulted in questioned costs of \$3,157.37 which are detailed on the Schedule of Questioned Costs included in this report.

We recommend:

- a. The Special Services Department administer all EHA federal grants.
- b. The Director of Special Services review and authorize all EHA grant expenditures prior to payment and preparation of subsequent grant reimbursement requests to the grantor.

- c. The district resolve the above questioned costs with the Office of the Superintendent of Public Instruction (SPI) and the grantor.